

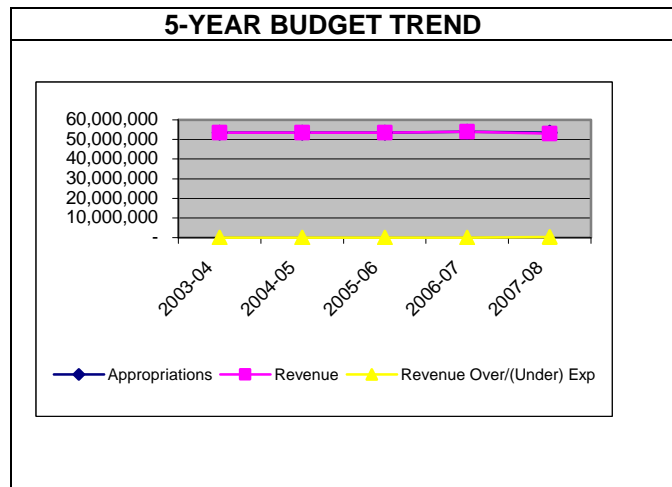
Medical Center Lease Payments

DESCRIPTION OF MAJOR SERVICES

This unit funds the cost of long-term lease payments to the Inland Empire Public Facilities Corporation for the Arrowhead Regional Medical Center (ARMC) facility. Funding sources include state revenues from the SB 1732 – Construction Renovation/Reimbursement Program that provides supplemental reimbursement for construction, renovation, or replacement of medical facilities or fixed equipment, operating transfers from ARMC representing Medicare and fee for service revenues, and operating transfers from the general fund backed by Health Realignment revenues and tobacco settlement proceeds.

There is no staffing associated with this budget unit.

BUDGET HISTORY

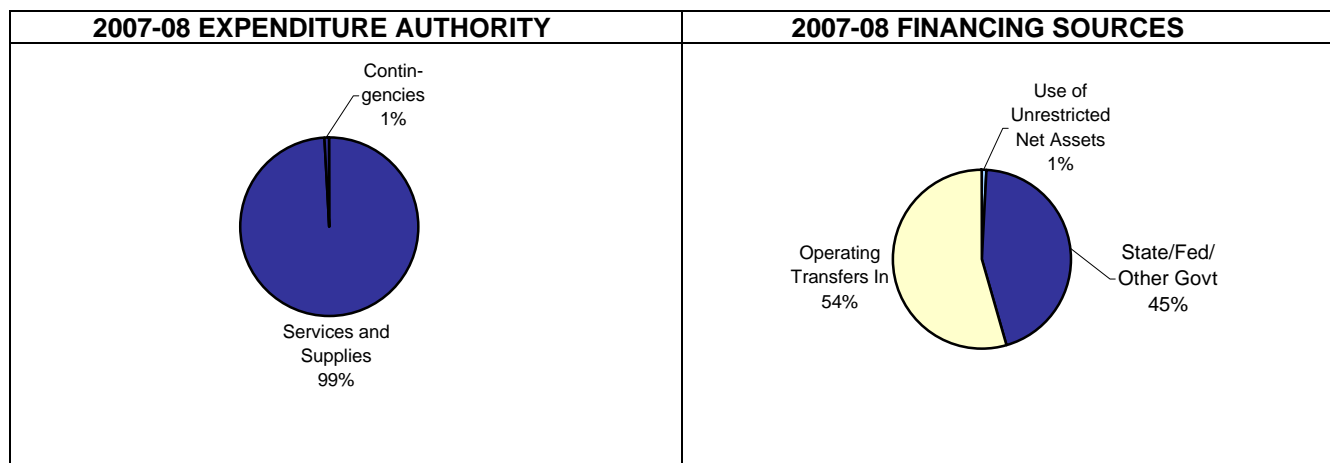


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	53,519,080	53,267,557	53,485,019	54,023,686	52,161,417
Departmental Revenue	53,519,080	53,267,557	53,485,019	54,023,686	52,561,417
Revenue Over/(Under) Exp	-	-	-	-	-

Estimated appropriation is less than modified budget due primarily to one-time excess interest revenue realized in one of the debt service reserve funds, in the amount of \$1.1 million, coupled with savings on the interest rate swap associated with the 1998 Medical Center Bonds, in the amount of \$835,494.

ANALYSIS OF PROPOSED BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Joint Powers Lease
FUND: ARMC Lease Payments

BUDGET UNIT: EMD JPL
FUNCTION: General
ACTIVITY: Property Management

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	53,519,080	53,267,557	53,485,019	52,161,417	54,023,686	53,008,963	(1,014,723)
Contingencies	-	-	-	-	-	400,000	400,000
Total Appropriation	53,519,080	53,267,557	53,485,019	52,161,417	54,023,686	53,408,963	(614,723)
Departmental Revenue							
State, Fed or Gov't Aid	22,165,895	20,259,346	21,521,301	26,594,234	24,280,903	24,001,225	(279,678)
Total Revenue	22,165,895	20,259,346	21,521,301	26,594,234	24,280,903	24,001,225	(279,678)
Operating Transfers In	31,353,185	33,008,211	31,963,718	25,967,183	29,742,783	29,007,738	(735,045)
Total Financing Sources	53,519,080	53,267,557	53,485,019	52,561,417	54,023,686	53,008,963	(1,014,723)
Rev Over/(Under) Exp	-	-	-	-	-	(400,000)	(400,000)

In 2007-08, services and supplies of \$53,008,963 are decreased to reflect decreased lease payment and associated fees of \$1,014,723.

On February 13, 2007, the Board approved a change to County Budget Financing Policy 02-09 requiring that any benefit realized on interest rate swap agreements by the County be retained as a contingency to offset the County share of any future increases in debt service caused by the swap agreement. Contingencies in the amount of \$400,000 are established for 2007-08 and shall become cumulative until such time as the contingency amount reaches \$5.0 million.

State aid of \$24,001,225 is decreased by \$279,678 due to a decrease in SB 1732 reimbursement. A portion of the medical center lease payments is reimbursed by the state through the Construction Renovation/Reimbursement Program (SB 1732). The amount reimbursed by the state depends on the allowable lease payments multiplied by a rate that is calculated by the state every year. The rate fluctuates up or down based on the actual Medi-Cal inpatient days paid to Arrowhead Regional Medical Center.

Operating transfers in of \$29,007,738 are funded by \$10.7 million of Tobacco Master Settlement Agreement monies and \$10.3 million of realignment. The remaining \$8.0 million represents revenues anticipated to be generated by Arrowhead Regional Medical Center and transferred to fund the remaining debt service lease payment.

